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DE RUEHMO #1221 1230309
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P 020309Z MAY 08
FM AMEMBASSY MOSCOW
TO RUEHC/SECSTATE WASHDC PRIORITY 7885
INFO RUCNRAQ/IRAQ COLLECTIVE
RUEHXD/MOSCOW POLITICAL COLLECTIVE

C O N F I D E N T I A L MOSCOW 001221

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E.O. 12958: DECL: 04/29/2018
TAGS: PGOV PREL EAID I2 RS
SUBJECT: MFA ON IRAQ NEIGHBORS' CONFERENCE AND ICI
MINISTERIAL

REF: A. STATE 43799
B. MOSCOW 955

Classified By: Political M/C Alice G. Wells for resons 1.4 (b/d).

¶1. (C) Summary: The MFA told us that Russia was disappointed over the failure of Arab states to expand their engagement with Iraq at the April 22 Iraq Neighbors' Conference, but understands their reluctance considering the Iraqi government's inability to stabilize the country. Russia remains skeptical about providing economic aid to Iraq, and will only send an observer to the May 29 International Compact With Iraq Ministerial. The GOR is continuing bilateral discussions on increasing economic ties to Iraq, although the security situation may hinder Russian hydrocarbon firms from operating there. The MFA positively viewed S/I Satterfield's recent trip to Moscow and his efforts to involve Russia in international stabilization efforts in Iraq. End summary

¶2. (C) MFA Iraq desk officer Elbrus Kutrashev told us on April 29 that the GOR was disappointed, but not surprised, over the failure of Arab states to commit to greater engagement with Iraq at the April 22 Iraq Neighbors' Conference. The GOR continued to urge Arab states to become more engaged with Iraq, but understood their reluctance to do so considering the failure of the Iraqi government to address the issues necessary to stabilize the country, particularly security and national reconciliation. Kutrashev reiterated that the Iraqi government would continue along its current path so long as the leadership did not see an end to dependence upon the U.S., which argued for setting a timetable for withdrawal of coalition forces.

¶3. (C) Kutrashev said that the GOR would send only an observer to the May 29 International Compact With Iraq ICI Ministerial in Sweden (ref A). Russia was not a member of the ICI, nor would it become one. Kutrashev explained that there was no enthusiasm in the GOR for providing aid to Iraq. This stemmed, in part, from the belief that aid would prolong Iraqi dependence upon the international community and hinder efforts by the Iraqis to address the nation's needs themselves. Russian reluctance to provide aid was also due to the Iraqi government's lack of interest in tackling corruption. Kutrashev said that MFA officials working the Iraq account were particularly pessimistic, seeing Iraqi officials as more interested in pocketing aid than in helping their country.

¶4. (C) Kutrashev noted that S/I Satterfield's recent visit to Moscow was received enthusiastically by the GOR, which appreciated the message that the U.S. welcomed Russian engagement with Iraq (ref B). The GOR continued its bilateral discussions with Iraq on increasing economic ties and possible energy contracts. Kutrashev said that despite press reports, Iraq was not close to recognizing contracts signed with Russian firms by the Saddam regime. In any

event, Kutrashev doubted Russian hydrocarbon firms would soon become involved in Iraq considering the poor security situation.

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